

# **EXHIBIT 6B**

# Management Changes & Restructuring Initiatives

## Management Changes

- Current CFO Sam Leno (who has been with BSX since 2007 and was CFO at Zimmer under then CEO Ray Elliott) will become COO, effective March 1. Elliott will oversee finance, information systems, and manufacturing and operations.
- Current Chief Accounting Officer and Corporate Controller Jeff Capello will become the company's new CFO, effective March 1.
- Fred Colen, former President of CRM, will become the Chief Technology Officer. Under the new role, Boston will reprioritize its allocation of R&D resources.
- Tim Pratt will serve as Chief Administrative Officer, in addition to being General Counsel and Secretary. Boston will consolidate legal, corporate communications, government affairs, human resources, and quality and regulatory affairs under Pratt.

## Restructuring Initiatives

- Boston Scientific announced it is merging its Cardiovascular group (which includes stents, peripheral vascular, and interventional cardio) with its Cardiac Rhythm Management group (includes ICD/pacemakers). Together, the two groups represented about \$5,875 million in 2009 sales (\$3,426M in Cardio and \$2,413M CRM). The new group will be headed by Hank Kucheman, who is the current President of the Cardiovascular division. The group will increase its focus on structural heart, disruptive technology, primary prevention ICDs, atrial fibrillation, and hypertension.
- Boston will eliminate its international headquarters. Presidents of Japan, Europe and newly formed Emerging Markets Group will report directly to CEO Ray Elliot. Boston will announce leadership for the Emerging Markets groups at a later date.
- Boston has also created a new Urology and Women's Health division, which along with Endoscopy will report directly to the CEO. The Endosurgery group structure (which currently includes urology/gynecology and endoscopy) will cease to exist. John Pederson will lead the Urology and Women's Health division while Michael Phalen will lead Endoscopy with plans to pursue incremental growth through devices for endoluminal surgery, obesity/diabetes solutions and pulmonary asthma.
- Boston will rationalize its portfolio, including both acquisitions and divestitures. As noted within the reorganization, the interest areas for potential acquisitions are fairly laid out--structural heart, disruptive technology, atrial fibrillation, hypertension, women's health, endoluminal surgery, obesity/diabetes solutions and pulmonary asthma. Considering the cash flows and balance sheet, we're hoping for smaller deal sizes. We expect Boston Scientific to comment on this on the call.
- Boston will immediately begin a new set of restructuring initiatives that are expected to reduce gross expenses by \$200 million to \$250 million (5.5% to 7% reduction) from 2009 base over the next two years. Headcount is expected to fall from 1,300 to 1,000 from the company's "non-direct labor base" (which we take to mean more middle management versus sales "feet on the street"). Boston expects headcount reductions to be partially offset by the redeployment of expenses and headcount into the sales force and into research initiatives.
- Boston expects restructuring related expenses to be in the range of \$180 million to \$200 million pre-tax, of which the vast majority will be cash.

## HeartRhythm Journal and Product Quality

We expect Boston Scientific to address the Heart Rhythm Journal article on its conference call. This article is likely to also be discussed in the Wall Street Journal Print edition on Thursday as an online article was released on Wednesday night.

### The HeartRhythm Article

In a recent article published in the journal *Heart Rhythm* (official journal of the Heart Rhythm Society), Doctor Joseph J. Germano, Alicia Darge, and Doctor William H. Maisel describe the case of an 84 year old man who originally underwent biventricular ICD implantation in 2003 and later received an ICD generator replacement in 2005 due to recall. In September 2009, the patient underwent ICD replacement due to generator failure, receiving a Boston Scientific Cognis CRT-D which was placed subcutaneously. Integrity of the ICD was verified and a small insulation breach on the left ventricular lead was repaired. The following day, the patient received an ICD shock that was later determined to be inappropriate, consisting of 1 shock and multiple episodes of antitachycardia pacing for noise in the ventricular tachycardia and ventricular fibrillation detection zones. Sinus rhythm was restored and ICD therapies were disabled while the patient was monitored on normal telemetry while waiting for an ICD system revision.

The following day, the patient developed severe upper extremity pain, and was given an emergency thrombectomy. The patient's ICD implant system was inspected, and found to be satisfactory. A new RV ICD lead was added to remedy what was believed to be an intermittent lead fracture generating the observed electrogram noise. The patient was later discharged home and monitored on Boston's Latitude home monitoring system.

About a month later, high frequency noise was observed on the right ventricular channel while brief high-impedance readings were seen on the RV and LV leads. Visual examination of the ICD pocket showed the ICD header had separated from the case by several millimeters. Using the BSX device programmer, it was determined that manipulation of the device header forced the ICD into safety mode, resulting in automated reactivation of ICD detection and therapies (recall they had previously been disabled). Leads were reconnected to a new ICD and the system was placed back in the sub-q pocket, and no further abnormalities had been observed during several weeks follow-up.

### Boston Scientific's Rebuttal

On February 10, Boston issued a press release with the following rebutting the HeartRhythm Journal article saying it found it "unacceptable" to rush the manuscript to publication without requesting a detailed engineering analysis. Boston said their analysis determined that while the bond between the header and the case was weakened, the device functioned normally and a weakened header bond was not the cause of the abnormal sensing and pacing impedance observed in the patient case reviewed. Boston said there was no mechanism to link the noise observations to a weakened header bond and noted that none of the leads implanted in the patient were manufactured by Boston Scientific.

Boston noted that including this most recent case, only three instances of weakened header bonds have been observed in a context of more than 90,000 COGNIS and TELIGEN devices implanted subcutaneously. Thus, the overall rate of events compares very favorably to the performance of similar devices and is well within accepted performance ranges.

Boston did note, however, that it implemented manufacturing process improvements to strengthen the header bond on these devices and it has received approval from U.S. and European regulatory authorities for the devices with the strengthened header bond. Boston has been shipping these devices and expects to complete the transition to these devices by next month.

Our updated model is presented below.

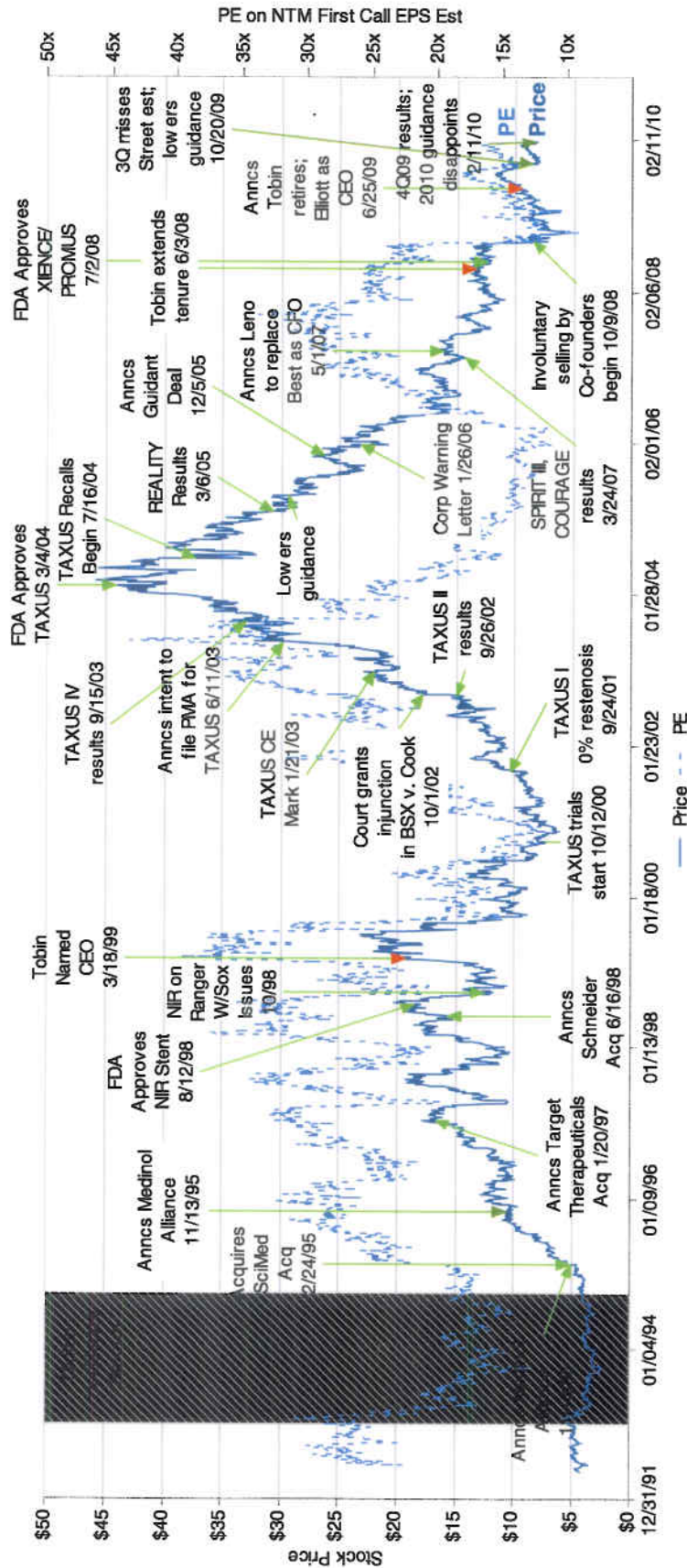
**Exhibit 13: Boston Scientific Model**

**For the period ending**

\$ millions, ex-per share	2007	1Q08	2Q08	3Q08	4Q08	2008	1Q09	2Q09	3Q09	4Q09	2009	1Q10E	2Q10E	3Q10E	4Q10E	2010E	2011E	2012E
<b>Pro Forma P&amp;L</b>																		
Total sales	\$8,356	\$2,046	\$2,024	\$1,978	\$2,002	\$8,050	\$2,010	\$2,074	\$2,025	\$2,079	\$8,188	\$2,041	\$2,105	\$2,068	\$2,111	\$8,325	\$8,678	\$8,944
COGS	\$2,333	\$576	\$601	\$651	\$624	\$2,452	\$597	\$618	\$616	\$696	\$2,527	\$668	\$685	\$666	\$680	\$2,699	\$2,755	\$2,690
Gross profit	\$6,023	\$1,470	\$1,423	\$1,327	\$1,378	\$5,598	\$1,413	\$1,456	\$1,409	\$1,383	\$5,661	\$1,373	\$1,420	\$1,401	\$1,431	\$5,626	\$5,923	\$6,254
SG&A Expenses	\$2,885	\$652	\$649	\$601	\$633	\$2,535	\$648	\$667	\$660	\$646	\$2,621	\$659	\$679	\$660	\$667	\$2,665	\$2,750	\$2,791
R&D expenses	\$1,087	\$242	\$251	\$251	\$255	\$999	\$256	\$262	\$257	\$257	\$1,032	\$258	\$260	\$255	\$258	\$1,031	\$1,044	\$1,031
Amortization exp.	\$632	\$143	\$135	\$131	\$134	\$543	\$128	\$126	\$126	\$129	\$509	\$128	\$128	\$126	\$126	\$508	\$435	\$400
Royalties	\$202	\$46	\$48	\$51	\$59	\$204	\$46	\$53	\$51	\$41	\$191	\$51	\$52	\$52	\$52	\$207	\$213	\$208
Operating Profit	\$1,217	\$387	\$340	\$293	\$297	\$1,317	\$335	\$348	\$315	\$310	\$1,308	\$278	\$301	\$308	\$328	\$1,215	\$1,482	\$1,824
Interest Expense	\$571	\$131	\$118	\$112	\$107	\$468	\$105	\$92	\$91	\$122	\$410	\$87	\$90	\$90	\$90	\$358	\$352	\$313
Interest (Income)	(\$79)	(\$16)	(\$11)	(\$11)	(\$10)	(\$48)	(\$3)	(\$2)	(\$2)	(\$3)	(\$10)	(\$3)	(\$2)	(\$3)	(\$3)	(\$11)	(\$22)	(\$27)
Other (Income)	\$32	\$3	\$0	\$10	\$12	\$25	\$9	\$21	\$6	\$2	\$38	\$5	\$10	\$10	\$10	\$35	\$36	\$38
Pretax Income	\$693	\$269	\$233	\$182	\$188	\$872	\$224	\$237	\$220	\$189	\$970	\$189	\$203	\$210	\$232	\$833	\$1,115	\$1,500
Taxes paid	\$83	\$22	\$37	\$42	(\$6)	\$95	\$36	\$43	\$36	(\$6)	\$109	\$45	\$50	\$50	\$37	\$181	\$223	\$300
Tax rate	12.0%	8.0%	15.9%	23.1%	-3.2%	10.8%	16.1%	18.1%	16.4%	-3.2%	12.5%	24.0%	24.0%	24.0%	16.0%	21.8%	20.0%	20.0%
Pro Forma Net Inc	\$610	\$248	\$196	\$140	\$194	\$778	\$188	\$194	\$184	\$195	\$761	\$143	\$154	\$160	\$195	\$652	\$892	\$1,200
Diluted Shares	1,497.7	1,500.1	1,505.2	1,507.9	1,501.5	1,503.7	1,508.7	1,514.5	1,520.2	1,510.6	1,513.5	1,512.4	1,513.0	1,514.3	1,514.6	1,513.6	1,517.2	1,519.3
Pro Forma EPS	\$0.41	\$0.17	\$0.13	\$0.09	\$0.13	\$0.52	\$0.12	\$0.13	\$0.12	\$0.13	\$0.50	\$0.09	\$0.10	\$0.11	\$0.13	\$0.43	\$0.59	\$0.79
Amortization Exp	\$0.39	\$0.07	\$0.07	\$0.06	\$0.08	\$0.29	\$0.07	\$0.07	\$0.07	\$0.07	\$0.28	\$0.07	\$0.07	\$0.07	\$0.07	\$0.27	\$0.23	\$0.21
"Cash EPS"	\$0.80	\$0.24	\$0.20	\$0.16	\$0.21	\$0.81	\$0.19	\$0.20	\$0.19	\$0.20	\$0.78	\$0.16	\$0.17	\$0.17	\$0.19	\$0.70	\$0.82	\$1.00
<b>Margin Analysis</b>																		
Gross margin	72.1%	71.9%	70.3%	67.1%	68.8%	69.5%	70.3%	70.2%	69.6%	66.5%	69.1%	67.3%	67.5%	67.8%	67.8%	67.6%	68.3%	69.9%
SG&A % of sales	34.5%	31.9%	32.1%	30.4%	31.6%	31.5%	32.2%	32.2%	32.6%	31.1%	32.0%	32.3%	32.2%	31.9%	31.6%	32.0%	31.7%	31.2%
R&D % of sales	13.0%	11.8%	12.4%	12.7%	12.7%	12.4%	12.7%	12.6%	12.7%	12.4%	12.6%	12.7%	12.4%	12.3%	12.2%	12.4%	12.0%	11.5%
Royalty % of sales	2.4%	2.2%	2.4%	2.6%	2.9%	2.5%	2.3%	2.6%	2.5%	2.0%	2.3%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.3%
Operating margin	14.6%	18.9%	16.8%	14.8%	14.8%	16.4%	16.7%	16.8%	15.6%	14.9%	16.0%	13.8%	14.3%	14.9%	15.6%	14.8%	17.1%	20.4%
Op margin ex amort	20.3%	24.1%	22.0%	20.1%	20.1%	21.8%	21.9%	21.8%	20.7%	20.0%	21.1%	18.5%	19.0%	19.7%	20.3%	19.4%	21.7%	24.9%
Pretax margin	8.3%	13.2%	11.5%	9.2%	9.4%	10.8%	11.1%	11.4%	10.9%	9.1%	10.6%	9.2%	9.6%	10.2%	11.0%	10.0%	12.9%	16.8%
Net margin	7.3%	12.1%	9.7%	7.1%	9.7%	9.7%	9.4%	9.4%	9.1%	9.4%	9.3%	7.0%	7.3%	7.7%	9.2%	7.8%	10.3%	13.4%
EBITDA margin	26.1%	30.0%	26.9%	26.4%	26.2%	27.4%	27.5%	27.3%	26.3%	24.8%	26.5%	23.8%	24.4%	25.1%	25.6%	24.7%	26.1%	28.9%
<b>Growth Analysis</b>																		
Sales	6.9%	-1.9%	-2.3%	-3.4%	-7.0%	-3.7%	-1.8%	2.5%	2.4%	3.8%	1.7%	1.6%	1.5%	2.1%	1.5%	1.7%	4.2%	3.1%
Gross Profit	1.8%	-3.2%	-5.8%	-10.0%	-9.3%	-7.1%	-3.9%	2.3%	6.2%	0.4%	1.1%	-2.8%	-2.4%	-0.6%	3.5%	-0.6%	5.3%	5.6%
SG&A	10.5%	-10.2%	-12.8%	-15.5%	-10.1%	-12.1%	-0.6%	2.8%	9.8%	2.1%	3.4%	1.7%	1.8%	0.1%	3.2%	1.7%	3.2%	1.5%
R&D	12.8%	-16.0%	-8.1%	-7.4%	0.0%	-8.1%	5.8%	4.4%	2.4%	0.8%	3.3%	0.9%	-0.7%	-0.8%	0.3%	-0.1%	1.2%	-1.2%
Operating Income	-24.0%	27.2%	18.1%	1.1%	-11.3%	8.2%	-13.5%	2.4%	7.5%	4.4%	-0.7%	-17.1%	-13.5%	-2.2%	6.0%	-7.1%	22.0%	23.1%
Pretax Income	-43.6%	42.2%	48.4%	2.4%	11.3%	25.9%	-16.9%	1.7%	20.9%	0.5%	-0.3%	-15.8%	-14.4%	-4.4%	22.5%	-4.2%	33.8%	34.5%
Net Income	-44.3%	70.4%	58.1%	-14.0%	9.1%	27.5%	-24.2%	-1.0%	31.4%	0.5%	-2.2%	-23.8%	-20.5%	-13.1%	-0.2%	-14.3%	36.9%	34.5%
Pro Forma EPS	-52.1%	70.1%	57.5%	-14.3%	8.3%	27.0%	-24.6%	-1.6%	30.4%	-0.1%	-2.8%	-24.0%	-20.4%	-12.8%	-0.5%	-14.3%	36.5%	34.3%
Cash EPS	-31.3%	33.2%	9.0%	-21.3%	-9.7%	1.3%	-19.5%	-2.9%	21.6%	-5.6%	-3.7%	-15.2%	-13.5%	-8.6%	-3.1%	-10.3%	16.9%	22.4%

Source: Company data, Credit Suisse estimates

Exhibit 14: Boston Scientific Price Performance History



Source: Company data, Credit Suisse estimates



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**Companies Mentioned** (Price as of 11 Feb 10)

Abbott Laboratories (ABT, \$53.54, NEUTRAL, TP \$59.00)  
 Baxter International (BAX, \$56.01, NEUTRAL, TP \$67.00)  
 Becton Dickinson & Co. (BDX, \$75.22, NEUTRAL, TP \$75.00)  
 Boston Scientific Corp. (BSX, \$7.47, NEUTRAL, TP \$8.50)  
 C. R. Bard, Inc. (BCR, \$81.51, NEUTRAL, TP \$80.00)  
 CareFusion (CFN, \$25.80, NEUTRAL, TP \$24.00)  
 Covidien (COV, \$49.75, OUTPERFORM, TP \$56.00)  
 Edwards Lifesciences Corp. (EW, \$86.35, OUTPERFORM, TP \$105.00)  
 Johnson & Johnson (JNJ, \$62.91, NEUTRAL, TP \$71.00)  
 Medtronic (MDT, \$42.30, OUTPERFORM, TP \$52.00)  
 St. Jude Medical (STJ, \$37.37, NEUTRAL, TP \$41.00)  
 Stryker Corporation (SYK, \$52.17, NEUTRAL, TP \$53.00)  
 Zimmer Holdings, Inc. (ZMH, \$57.60, NEUTRAL, TP \$61.00)

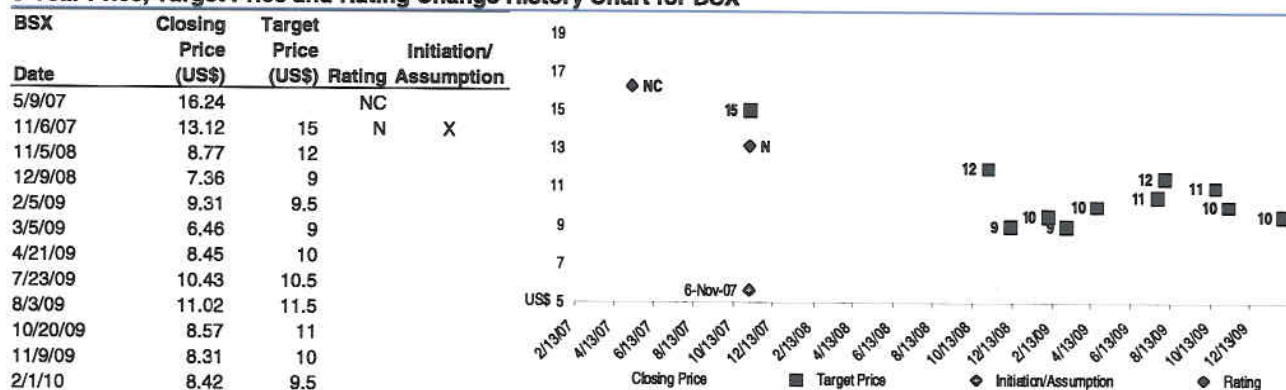
## Disclosure Appendix

### Important Global Disclosures

I, Kristen Stewart, CFA, certify that (1) the views expressed in this report accurately reflect my personal views about all of the subject companies and securities and (2) no part of my compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report.

See the Companies Mentioned section for full company names.

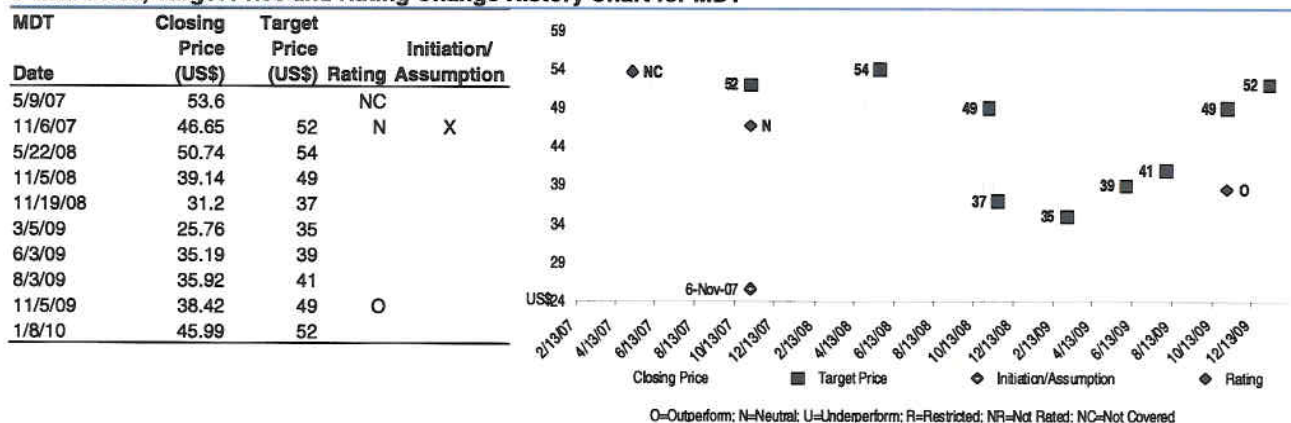
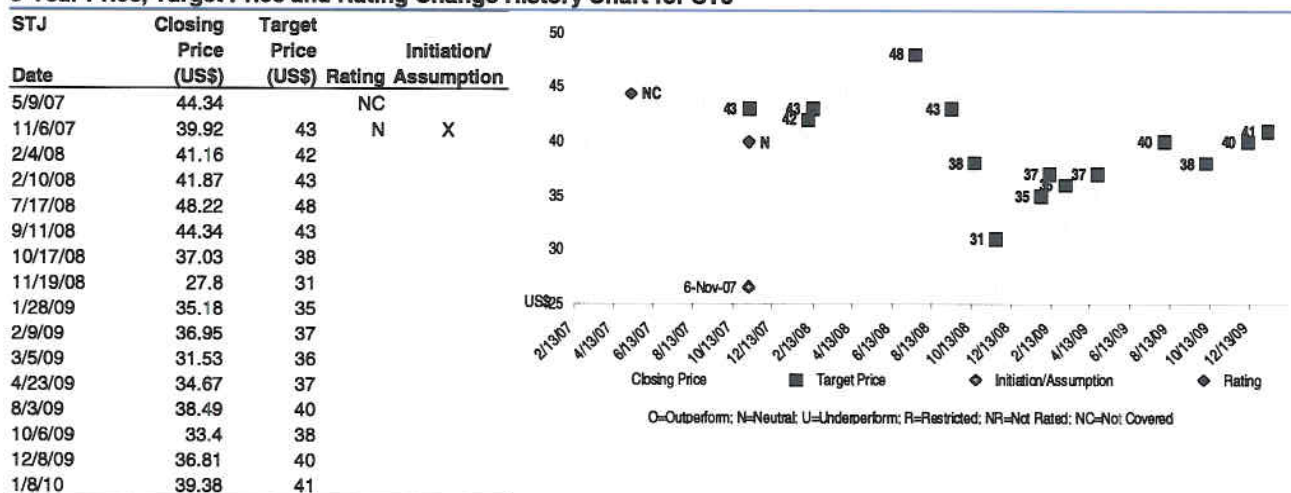
### 3-Year Price, Target Price and Rating Change History Chart for BSX



### Trading Alerts for BSX were produced on:

Date

7/24/2008

**3-Year Price, Target Price and Rating Change History Chart for MDT****3-Year Price, Target Price and Rating Change History Chart for STJ**

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**Neutral (N):** The stock's total return is expected to be in line with the relevant benchmark\* (range of  $\pm 10-15\%$ ) over the next 12 months.

**Underperform (U):** The stock's total return is expected to underperform the relevant benchmark\* by 10-15% or more over the next 12 months.

\*Relevant benchmark by region: As of 29<sup>th</sup> May 2009, Australia, New Zealand, U.S. and Canadian ratings are based on (1) a stock's absolute total return potential to its current share price and (2) the relative attractiveness of a stock's total return potential within an analyst's coverage universe\*\*, with Outperforms representing the most attractive, Neutrals the less attractive, and Underperforms the least attractive investment opportunities. Some U.S. and Canadian ratings may fall outside the absolute total return ranges defined above, depending on market conditions and industry factors. For Latin American, Japanese, and non-Japan Asia stocks, ratings are based on a stock's total return relative to the average total return of the relevant country or regional benchmark; for European stocks, ratings are based on a stock's total return relative to the analyst's coverage universe\*\*. For Australian and New Zealand stocks a 22% and a 12% threshold replace the 10-15% level in the Outperform and Underperform stock rating definitions, respectively, subject to analysts' perceived risk. The 22% and 12% thresholds replace the +10-15% and -10-15% levels in the Neutral stock rating definition, respectively, subject to analysts' perceived risk.

\*\*An analyst's coverage universe consists of all companies covered by the analyst within the relevant sector.

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**Market Weight:** Industry expected to perform in-line with the relevant broad market benchmark over the next 12 months.

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*\*\*The broad market benchmark is based on the expected return of the local market index (e.g., the S&P 500 in the U.S.) over the next 12 months.*

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Underperform/Sell*	13%	(53% banking clients)
Restricted	2%	

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*See the Companies Mentioned section for full company names.*

**Price Target:** (12 months) for (BSX)

**Method:** In deriving the target valuation of stocks across our med-tech universe, we have incorporated a variety of approaches. We have used both intrinsic (DCF, or discounted cash flow) and relative (PE, or price to earnings; PE to Growth; and EV/EBITDA, or enterprise value/earnings before interest, taxes, depreciation, and amortization) approaches. Our TP of \$8.50 is 19.7x our 2010 EPS estimate with amortization of \$0.43 and 12.2x our EPS estimate without amortization of \$0.70.

**Risks:** Risks to the achievement of our \$8.50 target price for BSX are: any additional FDA warning letter, market share shifts particularly in the DES (drug eluting stent) and ICD (implantable cardioverter-defibrillator) markets, patent litigation, product liability case, the impact of clinical trial outcomes (particularly the SPIRIT IV trial and COMPARE), timing of new and competitive product launches, government inquiries, future product recalls and advisories, healthcare reform efforts, increased regulations, and product failure.

**Price Target:** (12 months) for (MDT)

**Method:** In deriving the target valuation of stocks across our med-tech universe, we have incorporated a variety of approaches. We have used both intrinsic (DCF, or discounted cash flow) and relative (PE, or price to earnings; PE to Growth; and EV/EBITDA, or enterprise value/earnings before interest, taxes, depreciation, and amortization) approaches. Our target price of \$52 applies a PE multiple of 15.2x on our calendar 2010 EPS estimate of \$3.43.

**Risks:** Risks to the achievement of our \$52 target price for MDT are: erosion of ICD (implantable cardioverter-defibrillator) market share, the health of the overall ICD market, integration issues with the Kyphon deal, intensifying healthcare reform talks, patent litigation, government inquiries including the DOJ (U.S. Department of Justice) investigation regarding cardiac rhythm management sales and marketing practices, clinical trial outcomes of products in development, timing of new product launches (particularly ENDEAVOR), competitive product launches (within all product categories), and future product recalls and advisories.

**Price Target:** (12 months) for (STJ)

**Method:** In deriving the target valuation of stocks across our med-tech universe, we have incorporated a variety of approaches. We have used both intrinsic (DCF, or discounted cash flow) and relative (PE, or price to earnings; PE to Growth; and EV/EBITDA, or enterprise value/earnings before interest, taxes, depreciation, and amortization) approaches. Our target price of \$41 applies a PE multiple of 15.0x on our 2010 EPS estimate of \$2.74.

**Risks:** Risks to our target price of \$41 for STJ are the potential for greater than expected U.S. implantable cardioverter defibrillator (ICD) market share shifts, the outcome and resolution of government inquiries, clinical trial outcomes, timing of new product launches, healthcare reform efforts, increased pricing transparency, increased regulations, patent litigation, and product failure.

Please refer to the firm's disclosure website at [www.credit-suisse.com/researchdisclosures](http://www.credit-suisse.com/researchdisclosures) for the definitions of abbreviations typically used in the target price method and risk sections.

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Credit Suisse expects to receive or intends to seek investment banking related compensation from the subject company (BSX, MDT) within the next 3 months.

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**Important Regional Disclosures**

Singapore recipients should contact a Singapore financial adviser for any matters arising from this research report.



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The analyst(s) involved in the preparation of this report have not visited the material operations of the subject company (BSX, MDT, STJ) within the past 12 months.

Restrictions on certain Canadian securities are indicated by the following abbreviations: NVS--Non-Voting shares; RVS--Restricted Voting Shares; SVS--Subordinate Voting Shares.

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